



**Isle of Man Agricultural Marketing Society**

(Constituted under the Agricultural Marketing Act 1934)

## **2010's proposed strategy for DAFF to consult on and adopt**

### **1) Moving to a decoupled agricultural support system on the Isle of Man**

#### **PROPOSED 10-YEAR SCHEME, with 2 phases**

**Phase One** – starting 1<sup>st</sup> April 2009, ending 31<sup>st</sup> March 2014

**Phase Two** – starting 1<sup>st</sup> April 2014, ending 31<sup>st</sup> March 2019

**Review** – beginning 2011 prior to start of second phase.

#### **PHASE ONE**

- **In the first five years all farmers receive an historic payment – based on current support budgets – on condition of cross compliance.**
- **The historic payment would be paid in instalments**
  - The first payment would account for around half of the total budget, based on the assumption of current budget being available.
  - There would then be an appeals process
  - At the end of the appeals process the rest of the money (adjusted following appeals outcomes) would be paid.
  - If the appeals take too long, a second interim payment will be made.

#### **REVIEW**

- It is envisaged that phase two will begin in 2014. If conditions have not been met by 2011 then the review scheduled for 2011 may choose to recommend a different strategy for phase two.
- The review will be based on:-
  - A meat plant that provides similar service, price and cost to UK meat plants so that Manx farmers do not feel the need to export live commercial animals.
  - Manx meat being more competitive in the home market, post derogation.
  - Similar success being measurably achieved in other commodity areas.
  - Legislative reform (for example in the areas of tenancy, land development, and marketing) to support agricultural development.
  - Creation of successful environmental and tourism schemes.

#### **PHASE TWO**

- **A smooth transition from historical to acreage payments:**

**In 2014** - 80% historic & 20% acreage

**In 2015** – 60% historic & 40% acreage

**In 2016** – 40% historic & 60% acreage

**In 2017** – 20% historic & 80% acreage

**In 2018** – 0% historic & 100% acreage (new system runs fully integrated).

## **Benefits**

### **Farmer benefits:**

- Farmers can plan their business for at least the next five years and have a clear understanding of the Government's intentions for the future direction of support.
- It takes the farmer off the treadmill and gives him back his business.
- A chance for farmers to try something different with the confidence that they will still receive at least the same level of support.

### **Government benefits:**

- This plan is a transitional support package across 10 years that provides long-term clarity for farmers and shows clear direction from Government.
- It acknowledges the unique circumstances of the Isle of Man, and recognises the specific challenge presented by the loss of derogation within the decoupling process.
- It shows a clear willingness to decouple fully in the future, while ensuring financial security for individual farmers to review their businesses in the short-term.
- It provides time to prove that a successful profit making free market agricultural model can work on the Isle of Man.
- It creates vision for farm investment across a 10-year period.
- It provides food security for the Isle of Man while also ensuring a robust system of environmental and landscape management.
- It accepts the principle of countryside management acreage based support – while ensuring that we can move on to discussions about ensuring future financial profitability of Isle of Man farming.
- It acknowledges the demands of the E.U. in order that we can continue to trade freely within Europe.

### **Joint benefits:**

- It improves the chance of extending the derogation because the Isle of Man is seen to be moving in the direction the E.U. requires.
- It builds the case for additional financial support through the change process, from the Isle of Man Government, as recommended by the E.U.
- It is achievable in the given time-scale because it allows the industry to focus on the immediate changes needed for success in a free market environment.

## **2) The future of the Meat Plant**

The 2010 Committee is firmly of the view that we must create a slaughter situation that delivers similar levels of efficiency, service and cost to UK competitors.

The Department is currently working closely with the FMA to review the Meat Plant and FMA structure and will report in the New Year on the following topics:

- How best to build on recent progress and so achieve a step change in:
  - the current slaughter situation so as to deliver similar levels of efficiency, service and cost to UK competitors;
  - product innovation and meat quality management;
  - successful development of high value markets, both on and off Island.
  - livestock supply management to improve the ability to sell into target markets
- How best the Isle of Man Government can support this process.

## **3) 2010 Committee also aims for additional funds to be sought for:-**

- A killing line solution
- Whole industry marketing initiatives
- A Business Development Scheme (to include young farmers/new entrants)
- Additional land management activity